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15 JAN 1969

MEMORANDUM FOR: Chief, Support Operations Staff

SUBJECT : Take Stock Plan Task Force

1. On 9 January the Deputies' Meeting approved a proposal to proceed with the development of a Take Stock Plan for the Agency. A task force was to be created to develop a proposal for submission to the Director for approval. The tentative target date for completion of the task force action is 1 June 1969.

2. Following the meeting I met with the Executive Director concerning the composition of the task force and I suggested that I select the officers to serve on the task force based upon their specific technical abilities and submit the names of the task force to the other three Deputies for their concurrence. Since this is a matter involving technical skills it is better that we proceed this way rather than accepting general nominees from the Directorates.

3. My proposed constitution of the task force is as follows:

25X1

[ ] Chairman

Explored the Take Stock Plan with officials of TVA and is fully conversant with the entire program.

25X1

25X1

[ ] OGC

Accompanied Mr. [ ] on the TVA visit and will serve as the legal advisor and Internal Revenue Coordinator for the plan.

25X1

[ ] Personnel

Has wide knowledge of Agency personnel benefit programs and will be able to translate personnel organization and management into the construction of the program and introducing those systems which protect the identity of Agency personnel.

25X1

[ ] PPB

Has wide experience in stock investments and can represent PPB/Executive Director interests in the development of the plan.

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25X1

[Redacted]

Director of Economic Research, DD/I

Has wide experience in stock investments and economic trends and has served on committees within the Agency involving stock investments.

25X1

[Redacted]

Support Information Processing System

Experienced in the application of Automatic Data Processing and Office of Finance requirements in providing SIPS and Finance support in the organization and future complements of this plan.

25X1

4. It is requested that Mr [Redacted] obtain the concurrence of the DD/P, DD/I and the DD/S&T on the composition of this task force. If there is any question by any of the Deputies please bring to my attention immediately. The task force will submit status reports for the Deputies in the course of their development of proposals.

[Redacted]

R. L. Bannerman  
Deputy Director  
for Support

DD/S:RLB:ksd

Distribution:

Orig - Adse (for DD/S Subject)

1 - DD/S Chrono

DD/S&T Agreed  
Conferenced for 11/10/65  
[Redacted]  
DD/I Agreed  
Conferenced for  
[Redacted] 11/16/65  
DD/P Agreed - but  
want to add  
a DD/I in

SECRET

Under 1  
Exclude from automatic  
downgrading and  
declassification

CIA Voluntary Investment Trust

General Task

To develop an actionable plan for a voluntary savings and investment retirement program - the investment of contributed employee funds to be accomplished through a pension trust qualified by the Internal Revenue Service for exemption from federal income taxes and the monies in the pension trust to be invested predominantly in equity securities. Target Date: 30 June 1969.

Specific Tasks

- EE/LEGAL  
25X1
1. Thorough study of the laws governing the exemption of pension trusts from federal income taxes; isolation of both the absolute and negotiable elements of tax exempt pension trusts based on IRS interpretations, rulings, and discussions; determination of the optimum features desired in the CIA pension trust and negotiations toward obtaining IRS approval.
2. Analysis of the procedural, documentary, accounting requirements for the operation of the plan including saving through payroll deductions; maintenance of employee "share" accounts; periodic distribution of income and capital gains of the investment fund as additional shares; development of all necessary procedural changes, forms, computer programs, and administrative instructions.
3. Study various investment media (mutual funds, trust companies, etc.) available for the investment and management of the pension trust monies; enter into early negotiation with selected entities to ascertain terms and services offered.
4. Study problem of maintaining a reasonable balance of responsibility and control of the activity as between the interests of participating employees and CIA management; draft the provisions of a suitable control system and the legal documents necessary thereto.
5. Assemble the comprehensive proposal, including related trust agreements, articles of association, forms, and submit for formal CIA approval.
6. Develop a comprehensive educational and promotional campaign.
- Follow  
TUM  
Emp Assoc  
EE  
OPEN